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FEDERAL COMMUNICATIONS COMMISSION
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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)

Telephone Number Portability)
Policies)

CC Docket No. 95-116

Access Charges for Long-Term)
Number Portability)

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PETITION FOR CLARIFICATION

MCI Telecommunications Corporation and MCIMetro (collectively MCI) respectfully request clarification of the Federal Communications Commission's (FCC's or Commission's) local number portability (LNP) Order (LNP Order),¹ with respect to access charges in connection with interim local number portability (ILNP). As discussed below, MCI asks the Commission to determine that additional switching and transport costs caused by ILNP measures should be recovered through a competitively-neutral surcharge mechanism based on each carrier's share of total telephone numbers or access lines in the portability area.

I. Incremental Costs of Interim Local Number Portability Must Be Shared among Carriers in a Competitively-Neutral Manner

The Telecommunications Act of 1996 (1996 Act) requires local exchange carriers (LECs) to provide interim LNP using currently-available methods such as Remote Call Forwarding

¹ Telephone Number Portability, First Report and Order and Further Notice of Proposed Rulemaking, FCC 96-286, 9 FCC Rcd (1996).

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(RCF), Direct Inward Dialing (DID), or other comparable arrangements until a long-term number portability method can be deployed.² In the LNP Order, the Commission requires the LECs to provide ILNP as soon as reasonably possible upon receipt of a specific request from another telecommunications carrier (LNP Order, paras. 110-114).

The Act provides that costs for interim and long-term LNP must be borne by all telecommunications carriers on a competitively-neutral basis.³ The Commission has interpreted the term "costs" as "incremental costs [that are] incurred by a LEC to transfer numbers initially and subsequently [to] forward calls to new service providers using existing RCF, DID or other comparable measures" (LNP Order, para. 129).

The Commission adopted general criteria that the states must follow in mandating a cost allocation mechanism for ILNP measures: (1) it should not give one service provider an appreciable, incremental cost advantage over another service provider; and (2) it should not have a disparate effect on the incremental costs of competing carriers seeking to serve the same customer (LNP Order, para. 132). It also determined that the incremental payment made by a competitive LEC for winning a customer that ports his or her

² Pub. L. No. 104-104, 110 Stat. 56 (1996); 47 U.S.C. Secs. 251(b)(2) and 271(c)(2)(B)(xi) (1996).

³ 47 U.S.C. Sec. 251(e)(2).

number would have to be "close to zero" to approximate the incremental number portability cost borne by the ILEC if it had retained that customer (LNP Order, paras. 132-133).

II. The Commission Should Clarify that Additional Switching and Transport Costs Are Incremental Costs To Be Shared among Carriers

With respect to access charges for ILNP measures, the Commission's LNP Order stated that terminating interstate access charges must be shared by the forwarding carrier and terminating carrier because neither carrier provides all the facilities when a call is destined to a ported number (LNP Order, para. 140). As a result, neither the incumbent LEC (ILEC) nor the competitive LEC (CLEC) will receive all the terminating interstate access charges paid by interexchange carriers (IXCs) on calls forwarded as a result of ILNP measures.⁴

MCI agrees with this result. Such a sharing of access charges is important for both the IXC and the CLEC. The IXC will not be charged twice for termination of a call under ILNP, and the CLEC will recover its costs of terminating traffic by collecting access charges from the IXC, just as

⁴ It directed forwarding carriers and terminating carriers involved in the transport of a call to a ported number to assess on IXCs charges for terminating access through meet-point billing arrangements, using as a model the arrangements between neighboring incumbent LECs (LNP Order, para. 140). The carriers may decide which of them issues a bill to the IXC for access charges and may exchange the necessary billing information.

it would under permanent LNP.

On the other hand, the Commission's LNP Order did not specify which costs involved in the routing of a call ported by ILNP measures (for example, RCF, DID, or route indexing (RI)) would constitute incremental costs for ILNP sharing purposes. A competitively-neutral allocation mechanism for ILNP measures must ensure that these costs are shared by all LECs, not just by the CLECs.

Consequently, as interstate calls are passed among LECs by way of ILNP measures, the additional call routing and associated costs created by these measures should not result in access charges to be paid by the IXC. Nor should tandem charges be assessed on the CLEC if the ILNP connection uses tandem switching. Instead, these additional costs should be treated as incremental ILNP costs and should be borne by all carriers on a competitively-neutral basis.

Thus, the appropriate split of access charges would be as follows: (1) the forwarding LEC charges the IXC for transport from the IXC point of presence to the end office where the RCF/DID/RI is provided; and (2) the terminating LEC charges the IXC for the terminating switching function and common line charges. Any additional switching and transport costs incurred by the ILEC in terminating the ILNP call should be allocated as incremental costs to be recovered, along with other interim (and permanent) LNP costs, through the competitively neutral allocation

mechanism.

The Commission has proposed, for purposes of permanent LNP cost recovery, several options for state commission to use in apportioning the incremental costs of ILNP among all carriers: gross telecommunications revenues, number of lines, or number of active telephone numbers (LNP Order, para. 130). MCI's comments submitted in this proceeding advocate the position that the additional incremental costs associated with ILNP discussed in this petition, whether incurred by the ILECs or the CLECs, should be recovered through a surcharge based on each carrier's share of total telephone numbers or access lines in the portability area.⁵ This is appropriate because all customers will benefit from the availability of number portability, whether or not they choose to use the capability.

III. Conclusion

Therefore, in view of the foregoing, MCI asks the Commission to clarify which transport and switching costs associated with ILNP measures are incremental costs to be shared in a competitively-neutral manner by all telecommunications carriers.

The Commission should not allow ILECs to receive any revenues from routing that is necessary only because calls are forwarded through interim LNP measures. The IXC, the

⁵ MCI Comments, filed Aug. 16, 1996.

CLEC and the public are accepting these interim measures only because permanent database LNP is not yet deployed. As interim measures are only a poor substitute for permanent LNP, the ILECs must provide them without benefit of a subsidy from the IXCs or the CLECs.

Respectfully submitted,

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A handwritten signature in cursive script, appearing to read "Loretta J. Garcia".

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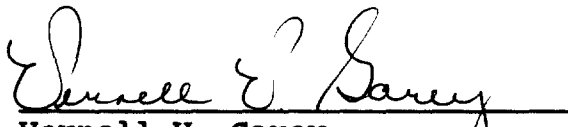
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Dated: August 26, 1996

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I, Vernell V. Garey hereby certify that the foregoing "PETITION FOR CLARIFICATION", CC Docket No. 95-116 was served this 26th day of August, 1996, by mailing true copies thereof, postage prepaid, to the following persons at the addresses listed below:


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